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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR



28 JUL 1959

MEMORANDUM FOR: The Executive Secretary
National Security Council

SUBJECT: Third Report to the President by the
President's Board of Consultants on
Foreign Intelligence Activities,
dated 30 October 1958

REFERENCES: (a) Memorandum from DCI to NS/NSC,
same subject, dated 16 February 1959
(b) Memorandum from NS/NSC to DCI,
same subject, dated 3 March 1959

1. In reference (a) I commented on Recommendation 3 of the Third Report of the President's Board of Consultants on Foreign Intelligence Activities. I noted that a new Deputy Director of the Plans Group had just recently been appointed and was reviewing the mission and organization of that unit and suggested that a report on the results of this review be submitted on 30 June 1959. My suggestion was accepted and I now submit the following report as directed by the President.

2. A number of organizational changes have taken place within the DD/P since my last report and others are under active consideration. The main objective of these changes is to improve the efficiency of the Clandestine Services. A new Assistant Deputy Director (Plans) for Psychological and Paramilitary Operations has been appointed to assist the DD/P in the operational direction of activities in these functional fields. An Operational Services grouping has been created, combining and centralizing the direction of several elements which perform functions of common concern to all the Operating Divisions and Staffs. The Inspection and Review Staff, DD/P, has been abolished and the Inspector General of CIA is now solely responsible for the comprehensive review of Clandestine Services activities and operations, reporting directly to me. Other organizational changes under consideration include

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the possible creation within DD/P of an Operations Staff and the realignment of the functions and structure of the present senior staffs. This change would provide a central point for the over-all control and direction of all operations, eliminate certain unprofitable monitoring of details by the staffs and result in a saving of personnel.

3. The planning system within the DD/P has been recently revised so that a greater distinction is made between operational planning directives and budgetary estimates. The revised system calls for an initial DD/P operational plan containing guidance and direction for the operating divisions and staffs for the forthcoming fiscal year. From this the divisions and staffs can prepare their more detailed Operational Programs which go forward for review and approval by the Project Review Committee. The budget and fiscal requirements are generated as a by-product of these Operational Programs. Finally, Related Mission Directives, also based on the Operational Plan and Programs, set forth more precise and realistic objectives and tasks for each field station.

4. In addition to the above, the review of the DD/P organization and mission has highlighted the following aspects of its work which need and will receive further study:

- a. the Agency's growing workload in carrying out the Director's responsibility for the coordination of U. S. clandestine activities abroad;
- b. delegation of more authority to the field;
- c. increased emphasis on scientific and technical collection methods and systems;
- d. refinements in what we are reporting and how we are reporting it;
- e. greater reliance on over-all country programs in the control and management of our operations as opposed to the present system of projects;
- f. increased use of non-official cover and more extensive use of non-U. S. citizens in operations;
- g. more emphasis on political action in underdeveloped areas;
- h. development of our capability for "covert limited warfare"; and
- i. increased records mechanization.

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5. In conclusion I should like to note that I have initiated a program for greater efficiency within the Agency as a whole in order to ensure a continuing effort to improve its organization and methods of operation. This program and other aspects of The Board's Third Report were discussed at the meeting of The Board on 17 July 1959.

SIGNED

ALLEN W. DULLES
Director

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